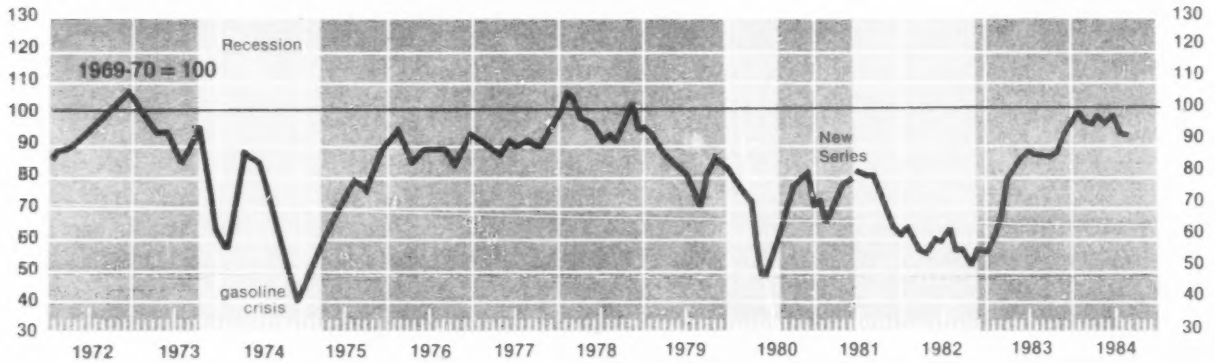
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

September, 1984



CONSUMERS CONTINUE CONFIDENT BUYING PLANS SLIGHTLY STRONGER

The measure of consumer confidence leveled off in August following a decline in July. The current reading of the Board's Index (1969-70 = 100) is 90.8, which is about the same figure as reported last time. Buying plans, which had registered a large drop in July, were up moderately in August.

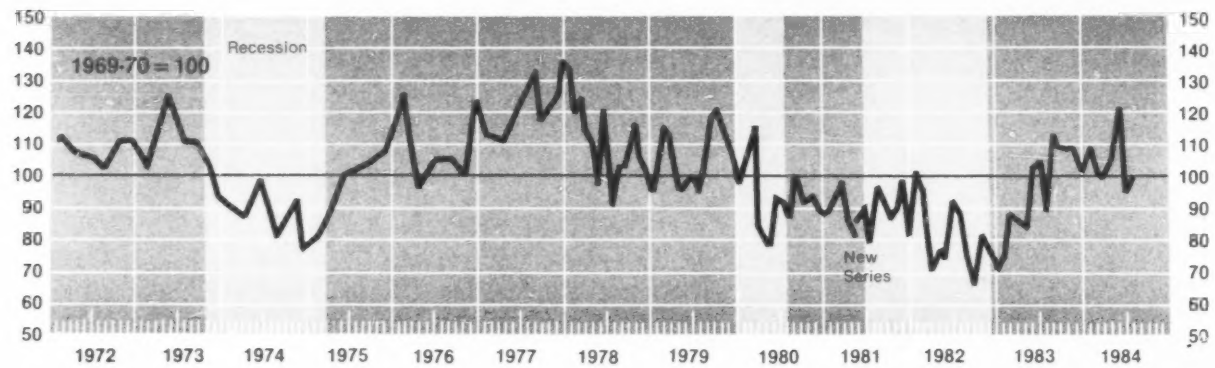
On questions concerning ongoing business conditions, consumer sentiment is just about the same as a month ago. There was, however, a moderate improvement in the consumer's assessment of the job situation. Consumer expectations of likely business developments over the next six months were also the same as a month earlier. However, there was a slight decrease in the number of persons who expect their incomes to rise in the coming months.

Buying plans, which were down quite substantially in the previous month, regained a small part of the loss most recently. According to the findings, 8.4% of all consumers plan to buy a car within six months, up from 7.8% last time. There was also a moderate rise in those who say they will acquire a home in the period ahead—3.2% of all respondents in the latest study, up from 3.0% earlier. Intentions to purchase a major appliance were also somewhat more prevalent. Of all survey participants, 26.2% plan to secure a major appliance in the coming months, a gain of about a point over last time.

The latest consumer survey findings are reassuring. Consumer expectations, which have an impressive record of foreshadowing the economic trend, had been edging down almost steadily since January but finally flattened out in August, still at an encouragingly high level. While this development is still too recent to be totally convincing, it nevertheless suggests that business activity is likely to quiet down to a sustainable but still prosperous pace in the coming months. This is what the consumers and the major economic indicators are telling us at this moment. According to the survey reading, economic growth in the second half of the year will probably average out at slightly better than a 5% annual rate—somewhat higher in the third quarter, somewhat lower in the fourth.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1983 Aug	Sept	Oct	Nov	Dec	1984 Jan	Feb	Mar	Apr	May	Jun	July(r)	Aug (p)
Appraisal of Present Situation: Percent													
Business Conditions													
Good	16.5	18.3	19.4	20.2	23.9	24.7	25.5	25.4	26.9	26.6	26.8	27.0	27.4
Bad	33.5	31.0	30.8	27.5	23.9	21.8	23.0	20.4	19.9	19.8	18.2	19.8	20.3
Normal	50.0	50.7	49.8	52.3	52.2	53.5	51.5	54.2	53.2	53.6	55.0	53.2	52.3
Employment													
Jobs plentiful	7.4	7.7	7.4	9.5	9.8	11.4	14.0	13.1	15.3	15.6	19.1	17.3	18.1
Jobs not so plentiful	48.6	48.5	49.3	50.4	51.2	50.4	49.6	51.9	48.9	51.2	50.7	49.9	48.6
Jobs hard to get	43.8	43.3	40.1	39.0	38.2	36.4	35.0	35.8	33.2	30.2	32.8	32.8	33.3
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	32.7	30.1	30.1	31.2	32.8	33.1	28.7	26.4	27.4	22.3	23.3	22.2	22.4
Worse	6.6	6.8	6.7	6.1	5.2	3.9	5.8	6.1	5.8	6.9	7.6	8.7	9.2
Same	60.7	63.1	63.2	62.7	62.0	63.0	65.5	67.5	66.8	70.8	69.1	69.1	68.4
Employment													
More jobs	26.6	24.5	24.8	25.6	25.9	25.7	21.4	20.6	20.2	17.8	17.1	16.5	16.3
Fewer jobs	12.1	13.1	13.8	11.9	10.6	10.6	11.9	12.1	11.4	12.2	13.3	15.8	15.3
Same	61.3	62.4	61.4	62.5	63.5	63.7	66.7	67.3	68.4	70.0	69.6	67.7	68.4
Income													
Increase	26.0	28.3	31.1	28.3	31.1	32.4	27.3	26.1	30.6	27.6	29.3	29.5	27.3
Decrease	8.8	8.6	7.6	7.8	7.7	7.3	6.3	7.2	6.8	6.2	6.1	7.6	7.5
Same	65.2	63.1	61.3	63.9	61.2	60.3	66.4	66.7	62.6	66.2	64.6	62.9	65.2
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.2	9.1	9.0	9.3	8.7	8.4	8.8	8.8	8.5	8.2	10.0	7.8	8.4
New	3.4	5.1	5.3	5.1	4.9	5.1	4.9	4.7	3.9	4.3	5.1	4.6	4.7
Used	2.4	3.6	3.3	3.4	3.3	2.5	3.4	3.0	3.0	3.2	3.3	2.5	2.8
Uncertain	1.4	0.4	0.4	0.8	0.5	0.8	0.5	1.1	1.6	0.7	1.6	0.7	0.9
Home													
Yes	3.0	3.8	3.6	3.6	3.6	3.4	3.8	3.3	3.1	3.7	3.8	3.0	3.2
New	0.8	1.3	1.0	1.2	1.2	1.0	0.9	0.8	0.9	1.0	1.3	1.0	0.8
Lived in	1.5	1.7	1.9	1.6	1.5	1.4	2.0	1.6	1.4	1.7	1.6	1.3	1.6
Uncertain	0.7	0.8	0.7	0.8	0.9	1.0	0.9	0.9	0.8	1.0	0.9	0.7	0.8
Major appliances													
Total plans	23.8	30.6	29.2	26.5	29.8	26.7	27.3	27.4	26.9	27.1	33.5	25.3	26.2
Refrigerator	3.4	4.1	3.4	3.5	3.7	3.2	3.6	3.6	3.7	3.9	5.0	4.1	4.2
Washing machine	2.7	4.0	3.3	3.6	3.6	3.4	4.0	3.8	3.2	3.6	4.0	2.8	3.2
Black and white TV	0.9	1.1	1.0	0.7	1.2	0.9	0.8	0.9	1.1	0.8	1.3	0.8	0.7
Color TV	6.1	8.2	8.0	7.5	8.2	7.8	7.0	7.5	7.7	7.0	8.4	6.1	7.7
Vacuum Cleaner	4.1	5.2	5.6	4.4	5.2	4.1	4.8	4.1	4.8	4.2	6.0	5.1	3.9
Range	2.3	2.6	2.6	2.4	2.7	2.6	2.6	2.9	2.3	2.4	3.0	2.3	2.5
Clothes dryer	2.8	3.1	3.1	2.7	3.3	2.8	2.9	2.6	2.7	3.2	3.3	2.7	2.9
Air conditioner	1.5	2.3	2.2	1.7	1.9	1.9	1.6	2.0	1.4	2.0	2.5	1.4	1.1
Carpet	6.9	8.2	7.1	8.1	7.4	6.5	7.3	7.2	5.9	6.8	8.5	6.2	6.9
Vacation Intended Within Six Months: Percent													
Vacation Intended	47.2		49.8		48.5		45.8		46.9		49.4		49.0
Destination													
Home state	9.9		10.5		10.3		8.8		8.7		9.9		9.5
Other state	32.8		33.5		33.4		32.0		32.8		34.9		33.7
Foreign country	6.2		7.0		6.5		6.2		7.6		6.7		7.5
Means of Travel													
Automobile	31.5		31.3		30.4		29.9		29.8		33.0		31.3
Airplane	15.5		17.1		17.9		15.4		18.6		17.6		17.3
Other	3.6		4.1		3.6		3.5		3.8		3.9		4.6

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request.

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.